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ABSTRACT

Conditions affecting the financial status of colleges and universities during 1980-1984 were investigated, with a focus on self-help in the form of management practices and strategies. Questionnaires were completed by approximately 370 institutions belonging to the Higher Education Panel. The data were weighted to represent the national population of colleges and universities, excluding research universities. The findings indicate that: during the 4 years, one-third of the nation's colleges and universities experienced significant increases in full-time enrollment, while one-fifth had significant declines; significant increases in net tuition were reported by nearly three out of five institutions; only one-quarter, mostly private institutions, reported significant increases in endowment earnings; revenue shortfalls were experienced by nearly half the sample; 80 percent of the public institutions with revenue shortfalls listed reduced external funding as a reason, while 70 percent of the private institutions listed enrollment drops as a reason; long-range planning, program review, and cash management were used by about three-quarters of the nation's institutions; and use of a central contingency fund was used by half of the sample. Detailed statistical tables, the questionnaire, and technical notes are appended. (SW)

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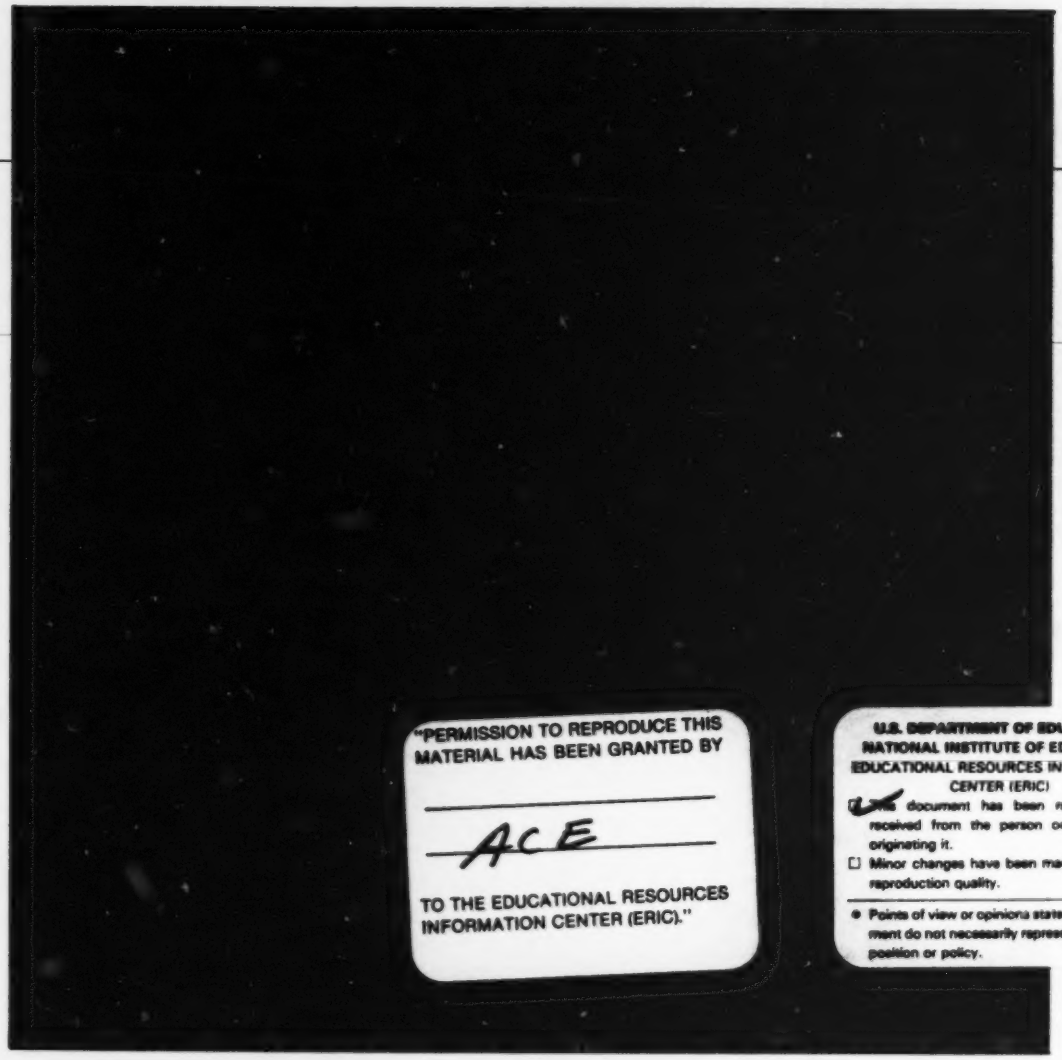
CONDITIONS AFFECTING COLLEGE AND UNIVERSITY FINANCIAL STRENGTH

Charles J. Andersen



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AMERICAN COUNCIL ON EDUCATION

Robert H. Atwell, President

The American Council on Education, founded in 1918, is a council of educational organizations and institutions. Its purpose is to advance education and educational methods through comprehensive voluntary and cooperative action on the part of American educational associations, organizations, and institutions.

The Higher Education Panel is a survey research program established by the Council for the purpose of securing policy-related information quickly from representative samples of colleges and universities. *Higher Education Panel Reports* are designed to expedite communication of the Panel's survey findings to policy-makers in government, in the associations, and in educational institutions across the nation.

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Conditions Affecting College and University Financial Strength

Charles J. Andersen

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HIGHLIGHTS

- Significant increases in full-time enrollment during the four-year period 1980–81 through 1983–84 were reported by one-third of the nation's colleges and universities. During the same period, one-fifth of the institutions reported significant enrollment decreases.
- Significant increases in net tuition were reported by nearly 3 out of 5 institutions. Only one-quarter of the colleges and universities—mostly private—reported significant increases in endowment earnings.
- Revenue shortfalls were reported by nearly half of the colleges and universities. There was a slightly higher incidence of this condition among public institutions than among private.
- Eighty percent of the public institutions with revenue shortfalls listed reduced external funding as a reason for that condition. Seventy percent of the private institutions listed enrollment drops as a reason for their revenue shortfall.
- Over half the institutions with revenue short-fall found that increased efforts in fund-raising, student retention, and student recruitment had highly beneficial impacts on their financial condition.
- Three specific management practices—long-range planning, program review, and cash management—were used by about three-quarters of the nation's institutions. A fourth practice, use of a central contingency fund, was reported by only half of the colleges and universities.
- Of the four management practices, cash management received the highest rating for usefulness.
- Expectations of doing better in the next five years than in the past four were reported by about half of the baccalaureate colleges and specialized institutions. However, one-quarter expected to have difficulty unless they take adaptive actions.
- One-third of the comprehensive institutions and the two-year colleges expected to do better in the next five years. About the same percentage expected to have difficulty.
- Generally, institutions that expected to do better in the near future were more likely to be users of the four management practices than institutions that were expecting to have difficulty in the next five years.

BACKGROUND

The Department of Education's Office of Planning, Budget, and Evaluation in 1984 proposed a Higher Education Panel survey that would examine conditions affecting the financial status of institutions of higher education. The survey was undertaken in response to concern that a large number of colleges and universities may be in financial distress due to demographic changes, economic conditions, and/or management deficiencies.

The survey was to review what changes have occurred among colleges and universities, and what actions institutions have taken over the past four years to sustain themselves in the face of these changes. The thrust of the survey was not with the specifics of institutional finance, but with institutional "self-help" in the form of management practices and strategies that have been adopted.

The study is intended to help Department officials identify problem areas and point toward actions that may be undertaken at the federal level.

METHODS SUMMARY

The Higher Education Panel forms the basis of a continuing survey research program created in 1971 by the American Council on Education. Its purpose is to conduct surveys on topics of current policy interest to the higher education community and to government agencies.

The Panel is a disproportionate stratified sample of 1,040 colleges and universities drawn from the population of more than 3,200 institutions listed in the National Center for Education Statistics' *Education Directory, Colleges and Universities*. All institutions in the population are grouped according to the Panel's stratification design, which is based upon institution **type** (research university, comprehensive university or college, baccalaureate college, specialized institution, two-year college), **control** (public, private), and **size** (full-time-equivalent enrollment). An expansion of the Panel conducted in 1983 permits it to be split into two separate "half-samples" in order to reduce the questionnaire burden on Panel members. This survey employed one of the half-samples.

The survey procedure is dependent upon a network of campus representatives at the Panel institutions whose presidents have agreed to participate. The representatives receive the Panel questionnaires and direct them to the most appropriate campus officials for response.

Questionnaires for this study were mailed to 438 colleges and universities.[1]

Initial returns plus those resulting from mail and telephone follow-ups resulted in an 84 percent response rate. A copy of the survey instrument is included as Appendix A.

Data from responding institutions were statistically adjusted (weighted) to represent the national population of colleges and universities (excluding research universities). Institutional weights were based upon the ratio of the number of respondents to the number of institutions in the population, separately for each stratum.

Appendix B presents the stratification design used to produce the national estimates and a comparison of respondents and nonrespondents.

[1]Excluded from the survey were the 165 research universities—institutions such as Columbia University, the University of North Carolina, Chapel Hill, the University of Chicago, U.C.L.A. Their complex administrative organization made it virtually impossible for them to provide meaningful answers to key questionnaire items.

FINDINGS

Introduction

During the four-year period covered by this report, one-third of the nation's institutions of higher education experienced significant increases in enrollment.[2] This was at a time when the traditional college-age population was declining. More than half of the nation's institutions reported significant increases in their net tuitions. Yet nearly half of the colleges and universities experienced a shortfall of revenue under expenditures. Many of these "shortfall" institutions used a variety of management practices, of which only a few—those related to fund-raising and increasing enrollments—were deemed to have a highly beneficial impact on the institution's financial condition.

Most institutions—both those that did and those that did not experience a revenue shortfall—were using four planning and financial management practices. Use of the latter (cash management and a central contingency fund) was reported more frequently by institutions without revenue shortfall than by those that had experienced deficits during the period. Use of the planning techniques—long-range planning and program review—did not show such contrast.

About 4 out of 10 institutions expected to do better in the next five years than they did in the past four. About 3 out of 10 institutions expected to have difficulty in the near future, and one-quarter expected to maintain their current level of operations without the introduction of new major strategies.

The following pages elaborate on this brief summary. The report is divided into four major sections. The first is concerned with recent trends in enrollment, student characteristics, program offerings, and selected funding sources. This first section also shows the number of colleges and universities that have recently experienced revenue shortfalls and identifies relationships that appear between these shortfalls and recent trends.

The second portion examines the degree to which institutions with revenue shortfall have used 38 management strategies and if those strategies have had a beneficial impact on the institutions' financial condition.

The third part examines the extent to which colleges and universities have employed four major management practices: (1) long-range planning, (2) program review, (3) cash management, and (4) the use of a central contingency fund. It also examines the relationship of these practices to revenue shortfalls. The final part considers institutional expectations for the next five years.

The numbers and percentages contained in these discussions are estimates based on a sample of all types of institutions (except major research universities); included in the sample were comprehensive colleges and universities, baccalaureate colleges, two-year colleges, and specialized institutions.

Recent Trends

How do senior institutional administrators view the past four years? Have most of the nation's colleges and universities experienced significant changes in program offerings, enrollment, student characteristics, or financing sources in these years? Has one type of institution experienced a greater degree of change than another? The answer to these questions is that a majority of survey respondents reported no significant changes in most areas.

For 16 of the 19 trend items included in the survey, fewer than one-half of the respondents reported significant change. Table A shows the trend items and the percentage of respondents that indicated change. Fewer than one-third noted significant change in students' geographic origins, selected student characteristics, or program offerings. Notably, only one-quarter reported significant change in families' ability to pay for college; one-third noted significant change in the enrollment of women.

Although there were only three items in which change was noted by more than half of the respondents, they were items of basic importance—full-time enrollment, part-time enrollment, and net tuition. Table B shows the direction and degree of change for these three.

One-third of the institutions reported increases in enrollments and about three-fifths reported increases in net tuition. There was no great difference between the proportion of public and private institutions reporting increases in tuition and in full-time enrollment. Part-time enrollments were a different story. Nearly half of the public institutions reported increases in that area, whereas only a third of the private institutions did.

Significant decreases in full-time enrollment were reported by about one-fifth of both public and private

[2]The use of the word "significant" in this report requires a word of explanation. The terms "significant increase," "significant decrease," and "no significant change" appeared as response options for several of the survey questionnaire items. On the survey instrument, however, the word "significant" was not defined in specific quantitative terms. Rather, it was suggested that respondents consider a "significant change" as "one that influences decision making." As used in the narrative that follows, the term does *not* mean that the data have been subjected to tests of statistical significance. It is used to report how respondents answered questionnaire items that included the term. See Appendix A for a copy of the questionnaire.

institutions. Decreases in part-time enrollment were reported by one-sixth of the public and one-tenth of the private institutions. Few institutions reported decreases in net tution.

TABLE A—Percentage of Institutions That Reported Significant Changes in the Period 1980/81–1983/84

Trend Item	Percent
1. **Student Geographic Origins**	
a. Out-of-state	17
b. Commuters	15
c. In-state	14
2. **Student Characteristics**	
a. Family ability to pay	25
b. Median age	21
c. Academic ability	21
3. **Program Offerings**	
a. Number of adult/community service programs	33
b. Number of courses	28
c. Total number of programs	27
d. Number of science and mathematics programs	20
4. **Sources of Funds**	
a. Net tuition (tuition and fees less institutional student aid)	62
b. Student financial aid from all public sources	35
c. State and local governments (except student aid)	31
d. Federal government (except student aid)	29
e. Endowment earnings	28
f. Student financial aid from all private sources	26
5. **Enrollment**	
a. Full-time	54
b. Part-time	51
c. Female	35

Reference: Table 1

TABLE B—Degree of Change in Selected Trend Items, 1980/81–1983/84

Trend Item Degree of Change	All Institutions	Public Institutions	Private Institutions
Full-time Enrollments			
Significant *increase*	34	32	36
Significant *decrease*	19	21	18
No change	47	47	46
Part-time Enrollments			
Significant *increase*	39	45	34
Significant *decrease*	12	16	9
No change	49	39	57
Funds from Net Tuition			
Significant *increase*	58	56	60
Significant *decrease*	4	4	4
No change	38	40	36

Reference: Table 1

Revenue Shortfall

Important as changes in programs, enrollment, and student characteristics may be, even more important to an institution's strength is its "bottom line." Forty-five percent of the nation's colleges and universities experienced a revenue shortfall at some time during the last four years. A slightly higher share of the public institutions reported this condition than did the private colleges. Baccalaureate and specialized institutions reported the lowest proportional incidence of shortfall, and comprehensive universities the highest (see table C).

TABLE C—Percentage of Institutions with Revenue Shortfall, by Control and Type of Institution, 1980/81–1983/84

Control and Type of Institution	Percentage
All institutions	45
Public	49
Private	42
Comprehensive	54
Baccalaureate	43
Two-year	45
Specialized	43

Reference: Table 4

Three specific causes for the shortfall were listed in the questionnaire: (1) increased costs, (2) enrollment shortfall; and (3) reduced external funding. Respondents were asked to indicate if any or all of the three were, in fact, causes of their revenue problems. Seventy-four percent of the respondents indicated increased costs; 59 percent, enrollment shortfall; and just over half, reduced external funding. Table D shows rather wide differences in responses to these causes, depending on the institutional type and control.

Enrollment shortfall was cited by 71 percent of the private institutions, and by less than half of the public institutions. The former rely more heavily than do public colleges on tuition for their income and their financial condition is therefore highly sensitive to enrollment levels.

Reduced external funding, including reduced funding from the state, was cited by 82 percent of the public institutions, but by less than one-third of the private colleges.

Increased costs would seem to affect all colleges and universities equally. The survey data show, how-

TABLE D—Reasons for Revenue Shortfall, by Control and Type of Institution

Control and Type of Institution	Percentage of Institutions with Shortfall That Cited-		
	Reduced External Funds	Enrollment Shortfall	Increased Costs
All institutions	55	59	74
Public	82	46	65
Private	29	71	83
Comprehensive	67	51	68
Baccalaureate	43	83	81
Two-year	64	56	70
Specialized	39	43	80

Note: Because multiple responses were permitted, the sum of the percentages exceeds 100.
Reference: Table 4

ever, that a higher percentage of private institutions than public cited such costs as a significant cause of their revenue shortfall. Baccalaureate and specialized institutions, in particular, were affected by the condition.

Shortfall and Recent Trends

The relationships between institutions' status regarding shortfall and recent trends in enrollment, financing, and programming is shown in figure 1. For all except one trend item, more institutions without revenue shortfall than with reported increases. That exception is federal funds.

Some relatively large differences do exist between the shortfall and no-shortfall institutions. (In this context, a "relatively large difference" is when the difference between the two percentages is roughly 50 percent or more of the smaller percentage.) For example, increases in enrollment were reported by 41 percent of the no-shortfall institutions in contrast to only 27 percent of the shortfall institutions—a difference of 14 percentage points. Increases in state and local funding were reported by 21 percent of the no-shortfall institutions compared with only 9 percent of the shortfall institutions—a difference of 12 percentage points.

The enrollment of women and the development of programs for adult education and community services are also areas where the differences between the shortfall and no-shortfall institutions are relatively large.

Conversely, the institutions with shortfall more frequently reported decreases in the trend measures, as illustrated on the right-hand side of figure 1. With only a few exceptions, the differences are quite small.

One of these exceptions is the area of full-time enrollment; over 34 percent of the shortfall institutions reported decreases in enrollment, but only 6 percent of the no-shortfall colleges did. Other notable contrasts are in the areas of net tuition (8 percent of the shortfall institutions versus less than 1 percent of those with no shortfall), and state and local government funding. Nearly one-quarter of the shortfall institutions reported decreases in that kind of support; only 9 percent of the no-shortfall institutions indicated decreases.

Management Strategies

Each institution that had experienced revenue shortfall was asked to identify and rate certain specific management strategies (from a list of 38) that it had used in the four-year period. The ratings were to indicate how beneficial the strategies had been in improving the institution's financial condition; they ranged from 5 (highly beneficial impact) to 1 (low beneficial impact). Only 10 of the 38 strategies had been used by one-third or more of the institutions. Only 5 of those 10 received high scores (5 or 4) from a majority of the raters. Table E shows the ten most frequently used strategies, the percentage of institutions that used them, and the percentage that rated them highly.

Increased fund-raising was the strategy used by more institutions than any other **and** the one that received the largest number of "highly beneficial" scores. Maintaining or increasing enrollments were also frequently used strategies and the latter was rated highly beneficial.

Several strategies received high ratings for effectiveness but were used by fewer than one-third of the institutions. Table E also shows four such strategies; they were used by 10 to 33 percent of the shortfall institutions **and** received high scores from more than half of their users.

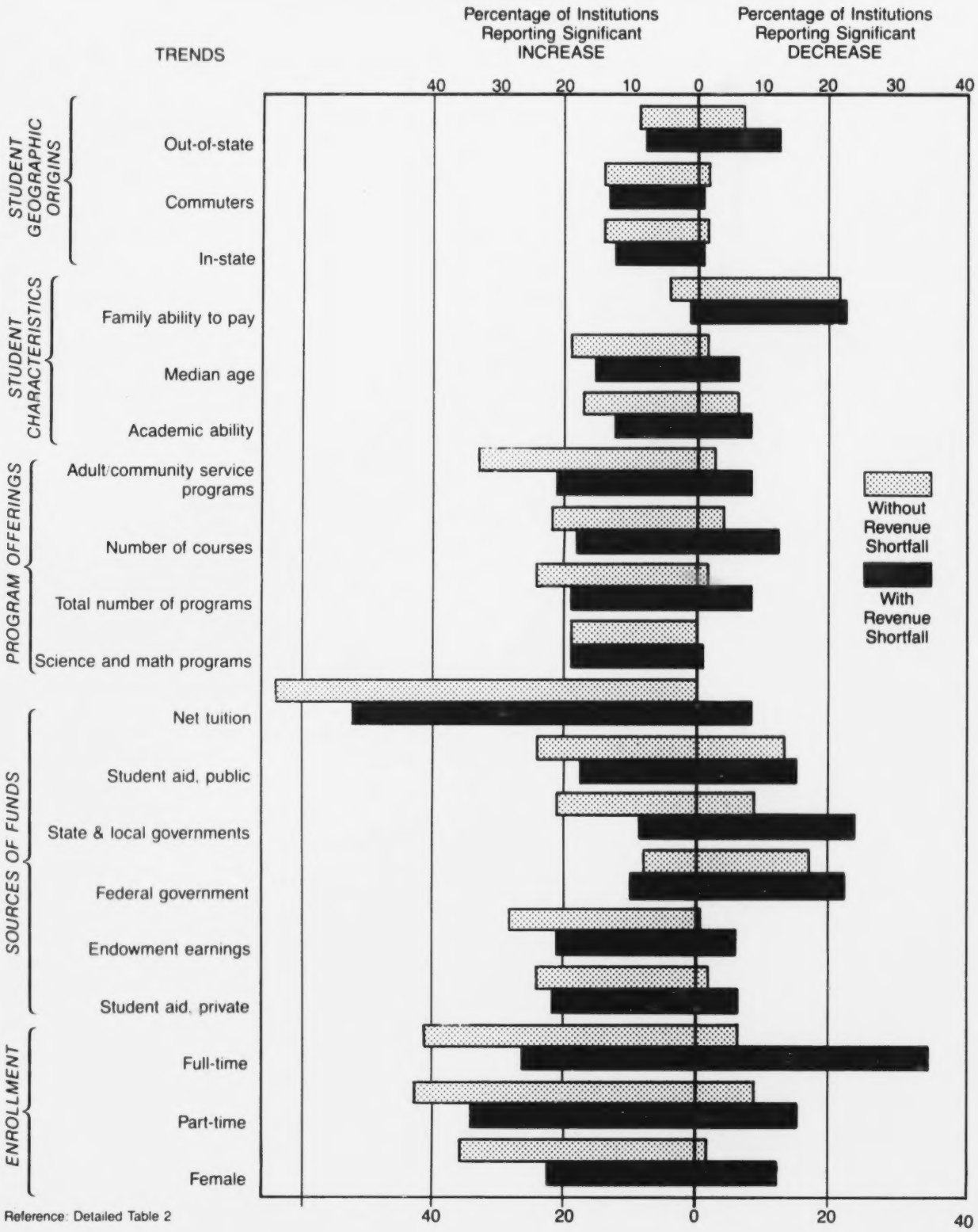
Detailed table 3 shows all of the strategies that the questionnaire listed and the percentage of institutions that reported using them. It also shows the distribution of the ratings for each of the strategies.

Few of the strategies used by an appreciable number of institutions received poor ratings. Table F shows those used by at least 10 percent of the institutions with revenue shortfall that received scores of 2 or 1 (low beneficial impact) from 40 percent or more of the raters. Four of those 6 low-rated strategies involved decreases (in offerings, in student body size, in plant maintenance). This appears to complement the findings regarding highly rated strategies, most of which involved increases.

One strategy that has attracted some attention in the press is the change in an institution's selectivity regarding incoming students. Twenty percent of the

FIGURE 1

Percentage of Institutions Reporting Significant Changes in Selected Institutional Trends, by Revenue Shortfall Status, 1980/81–1983/84



Reference: Detailed Table 2

TABLE E—Highly Rated Management Strategies

Strategy	Percentage of Shortfall Institutions That Used Strategy	Percentage of High Ratings (4 or 5)[a]
Frequent Use and High Ratings		
Increased fund raising efforts	69	62
Increased student retention efforts	67	49
Increased student recruitment at *all* levels	67	62
Increased student aid grants	49	52
Decreased faculty size	45	53
Increased class size	38	61
Decreased academic support staff	38	36
Decreased general administrative support staff	36	24
Decreased maintenance support staff	35	22
Increased adult and evening classes	34	47
Moderate Use and High Ratings		
Increased student body size	33	70
Increased recruitment efforts directed at *upper level* students	22	61
Increased amount of plant maintenance	18	59
Increased size of physical plant	15	60

[a]Percentage of those institutions that experienced revenue shortfall *and* used the strategy indicated.
Reference: Table 3

TABLE F—Low-Rated Management Strategies

Strategy	Percentage of Institutions That Used Strategy	Percentage of Low Ratings (1 or 2)[a]
Decreased amount of plant maintenance	24	45
Increased number of courses offered	21	48
Decreased student body size	19	42
Decreased number of community services	15	48
Increased support staff for maintenance	11	64
Decreased offerings of adult and evening classes	10	56

[a]Percentage of those institutions that experienced revenue shortfall *and* used the strategy.
Reference: Table 3

shortfall institutions reported using more selective entrance requirements (see detailed table 3). Of these users, 46 percent rated the practice highly, giving it a score of 4 or 5. Twenty-eight percent gave it poor ratings (2 or 1). The use of less selective entrance requirements was reported by 7 percent of the shortfall institutions and, of these, 72 percent gave it a poor score (2 or 1). Apparently, when selectivity was changed, raising standards was seen to have a more beneficial impact on the institution's financial condition than lowering standards.

Management Practices

For the four-year period 1980–84, one-half or more of the institutions surveyed reported using each of the four following management practices:

- long-range planning
- program review
- cash management
- central contingency fund

About 7 out of 10 institutions employed long-range planning, program review, and cash management; only 5 out of 10 used a central contingency fund.

Table G shows the degree to which use of these practices varied by institutional type and control.

Long-range Planning. This management practice was defined as a formal process of clarifying an institution's mission, setting operating goals, and developing support plans, management controls, and evaluation mechanisms. It was used by 75 percent of the institutions. Sixty percent of the respondents were willing to rate its usefulness, giving it an average score of 3.8 on a scale from 5 (extremely useful) to 1 (not useful). The 15 percentage point difference between the users and the raters is accounted for by those in the former group who indicated their use of the practice was so recent they were not able to rate it.

Baccalaureate colleges used long-range planning the most; specialized institutions, the least (see table H).

Twenty-five percent of the institutions did not use long-range planning, although 18 percent said that they currently had it under development.

TABLE G—Selected Management Practices, by Control and Type of Institution

Control and Type of Institution	Total Number of Institutions	Percentage of Institutions That Used			
		Long-range Planning	Program Review	Cash Management	Central Contingency Fund
All institutions	3,088	75	70	73	51
Public	1,394	75	73	69	56
Private	1,694	74	67	76	47
Comprehensive	409	78	72	85	55
Baccalaureate	739	82	63	79	54
Two-year	1,311	73	68	65	52
Specialized	629	67	77	74	42

Reference: Table 4

TABLE H—Percentage of Use and Usefulness Score for Four Management Practices, by Control and Type of Institution

Management Practice/ Control and Type of Institution	Percentage Using Practice	Percentage Rating Usefulness	Average Score
Long-range Planning			
All institutions	75	60	3.8
Public	75	60	3.8
Private	74	61	3.9
Comprehensive	78	67	3.8
Baccalaureate	82	70	4.0
Two-year	73	59	3.8
Specialized	67	47	3.6
Program Review			
All institutions	70	64	3.9
Public	73	67	3.8
Private	67	61	3.9
Comprehensive	72	62	3.9
Baccalaureate	65	56	3.8
Two-year	68	63	3.9
Specialized	77	77	3.8
Cash Management			
All institutions	73	70	4.1
Public	69	67	4.2
Private	76	72	4.1
Comprehensive	85	77	4.3
Baccalaureate	79	75	4.2
Two-year	65	62	4.2
Specialized	74	74	3.8
Central Contingency Fund			
All institutions	51	48	3.8
Public	56	55	3.8
Private	47	42	3.8
Comprehensive	55	52	4.1
Baccalaureate	54	52	3.6
Two-year	52	51	3.8
Specialized	42	33	3.7

Reference: Tables 4, 5, and 6.

Program Review. This management practice was defined as a process for periodically reviewing present and expected demand for all programs. Seven out of 10 institutions used it and 64 percent rated it, giving it an average score of 3.9.

Table H shows that there was essentially no variation in average usefulness scores when responding institutions were categorized by control and type.

A greater proportion of public institutions used program review than did private colleges and universities. Specialized institutions used it most frequently; baccalaureate colleges, least.

Thirty percent of the institutions did not use the practice, including 14 percent that had it under development.

Cash Management. This management practice was defined as a formal means of reviewing cash flow needs periodically. It was used by 73 percent of the surveyed institutions and 70 percent rated it, giving it good marks for usefulness. Its average score of 4.1 was the highest shown for any of the four practices.

Reliance on cash management was reported more frequently by private institutions than by public.

Table H shows its use was greatest among comprehensive colleges and universities. It was used least frequently by the two-year colleges, perhaps because many such institutions belong to systems that control institutional finances centrally, and the survey questionnaire was answered at the campus level. The two-year institutions that did use the practice gave it a high score for usefulness.

Twenty-seven percent of the institutions did not use cash management, including 7 percent that indicated they were considering its use.

Central Contingency Fund. This least widely used management practice was defined as a general fund from which various institutional cost centers may draw when current operating needs exceed budgets.

Just over half of the institutions included in the

survey used it. Forty-eight percent were willing to rate it, and they gave it an average score of 3.8, but with a rather wide dispersion of scores. One-third rated it "extremely useful" (a score of 5); however, one-eighth gave it low (1 or 2) scores (see detailed table 6).

A larger proportion of public than private institutions used such a fund—56 percent in contrast to 47 percent. Just over half of the comprehensive, baccalaureate, and two-year institutions used and rated the practice; only one-third of the specialized institutions did (see table H).

Forty-nine percent of the institutions did not use the practice, including 4 percent that had it under development.

Management Practices and Revenue Shortfall

Figure 2 relates the use of these management practices to the institutions' revenue shortfall status. It shows that institutions without shortfall were more likely to have used three of the practices than institutions with shortfall.

The two practices involving the management of funds showed the greatest variation. Cash management, for example, was used by 77 percent of the no-shortfall institutions in contrast to 68 percent of the shortfall institutions. A central contingency fund was used by 55 percent of the no-shortfall institutions, but by only 46 percent of those with deficits.

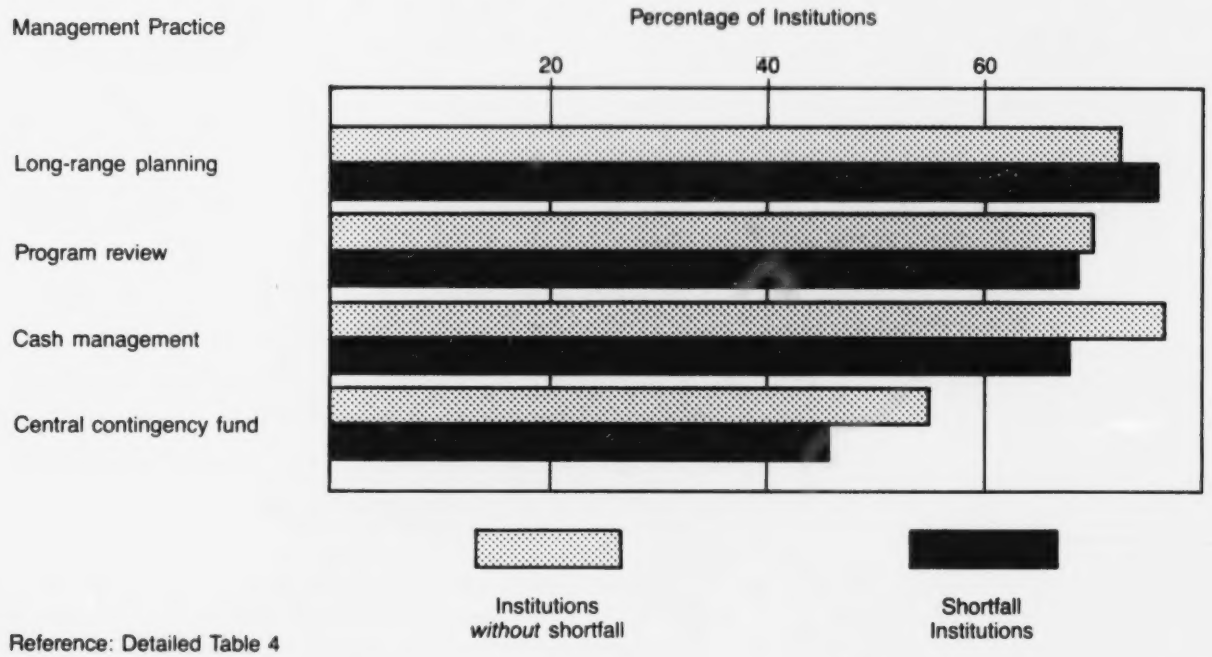
The two practices involving planning and program review did not show such distinct differences. There was practically no difference between the two groups' use of program review—69 versus 70 percent. And a slightly larger percentage of the institutions with shortfall (76 percent) reported using long-range planning than the no-shortfall institutions (73 percent).

Five-year Outlook

The expectation of doing better in the next five years than in the past four was reported by nearly 44 percent of the institutions. Thirty percent expected to have difficulty maintaining their current operating levels unless adaptive actions were taken. The remaining quarter expected to be able to maintain their current operating levels without undertaking any new major strategies (see table I).

Fewer public than private institutions expected to do better; a slightly smaller proportion of private than

FIGURE 2
Use of Management Practices,
by Revenue Shortfall Status



Reference: Detailed Table 4

TABLE I—Five-year Outlook, by Control and Type of Institution

Control and Type of Institution	Number	Percentage[a] of Institutions That Expect to			
		Do Better	Maintain Activity	Have Difficulty	No Opinion
All institutions	3,088	44	25	30	1
Public	1,394	40	26	32	2
Private	1,694	47	24	29	—
Comprehensive	409	35	28	37	—
Baccalaureate	739	50	22	28	—
Two-year	1,311	38	27	33	2
Specialized	629	54	22	24	—
No shortfall	1,691	41	36	23	—
With shortfall	1,397	47	12	39	2

[a]Percentages sum across to 100.
Reference: Table 8

TABLE J—Comparison of Use of Management Practices, by Five-year Outlook and Control and Type of Institution

Control and Type of Institution	Expect to DO BETTER & Use Long-range Planning	Expect DIFFICULTY & Use Long-range Planning	Expect to DO BETTER & Use Cash Management	Expect DIFFICULTY & Use Cash Management	Expect to DO BETTER & Use Program Review	Expect DIFFICULTY & Use Program Review	Expect to DO BETTER & Use Central Contingency Fund	Expect DIFFICULTY & Use Central Contingency Fund
All institutions	63%	52%	74%	62%	68%	52%	51%	50%
Public	67	47	76	60	75	52	60	58
Private	61	55	73	64	63	52	44	42
Comprehensive	75	58	74	87	64	56	37	64
Baccalaureate	67	77	74	77	61	54	54	62
Two-year	69	43	74	46	73	44	62	47
Specialized	48	36	73	64	72	68	37	35

Reference: Table 7

public institutions expected to have difficulty in the next 5 years. Specialized institutions showed the highest proportion of those expecting to do better. That institutional type also had the smallest share expecting difficulties. Comprehensive institutions reported the lowest proportion expecting to do better and the highest expecting to have difficulties (see table I).

Of the no-shortfall institutions, 2 out of 5 expect to do better in the next five years. About the same proportion expect to maintain their current operating levels, and 1 in 5 expect to have difficulty. This is in contrast to those that experienced revenue shortfalls. Nearly half of them expect to do better, one- eighth expect to maintain their current levels, but two-fifths expect to have difficulty (see table I). Thus, the proportion of institutions expecting difficulty is almost twice as great among those that have had deficits than among those that have not.

One might anticipate that a high proportion of those institutions expecting to do better would be users of the four management practices identified in this survey. One might also expect that a low percentage of institutions expecting trouble would be using the management practices. Table J shows these expectations confirmed to a limited degree, when national totals are considered. Sixty-three percent of the institutions expecting to do better reported using long-range planning long enough to be able to evaluate its utility. Only 52 percent of those expecting difficulty used the practice to the same extent. Similar differences appear among users of cash management and program review. But no differences appear regarding the use of a central contingency fund. Half of the institutions expecting to do better use it, as do half of the institutions expecting difficulty in the near future.

Among the two-year colleges, use of the management practices appeared more frequently among institutions expecting to do better. Three-fifths to three-

quarters of this group used the management practices. In contrast, less than half of the institutions expecting difficulty did.

However, use of one of the four management practices is not always more frequent among institutions expecting to do better. Whereas two-thirds of the baccalaureate colleges that expected to do better reported using long-range planning, three-quarters of those expecting difficulties used the technique. Only about half of the baccalaureate colleges expecting to do better used a central contingency fund, whereas three-fifths of those expecting difficulty did.

In more cases than not, however, use of the management practice is more frequent among institutions expecting to do better than among those expecting difficulties.

SUMMARY

Significant changes in the four-year period, 1980/81–1983/84, have been limited to relatively few areas and institutions, in the views of senior academic administrators. Less than a third of the survey respondents indicated significant change in a variety of measures concerning student characteristics, finance, and program. About half of the institutions reported significant changes in enrollment and nearly two-thirds reported changes in net tuition.

Over the same four years, nearly half of the nation's institutions have experienced revenue shortfall. All types of institutions experienced this condition with generally the same degree of severity. Private institutions more frequently attributed the revenue shortfall to reduced enrollment than did the public institutions. The latter, however, frequently cited a reduction of external funding, including moneys from state sources, as the cause of their revenue problem.

More than half of the institutions with revenue shortfall reported that they increased activities related to the recruiting and retention of students and to fund-raising. However, these activities were the only strategies on a list of 38 that were used by a majority of the shortfall institutions.

Three specific management practices—long-range planning, program review, and cash management—were used by about 7 of every 10 institutions. A fourth, the use of a central contingency fund, was reported by only half of the institutions. Each of the practices received high marks for usefulness from three-fifths or more of the users.

Looking to the future, over two-fifths of the nations' colleges and universities expect to do better in the next five years than they did in the recent past; one-quarter expect to maintain their current operating levels without implementing major initiatives. But a little more than one-quarter of the institutions expect to have difficulty in the near term unless they take adaptive action. Despite concerns about the viability of private institutions and their future, a slightly higher percentage of such colleges than public institutions expect to do better.

DETAILED STATISTICAL TABLES

Readers should note that some percentage distributions in the following tables may not total to 100 because of weighting and rounding.

TABLE 1—Recent Trends, by Control of Institution

Trend Item		All Institutions	Public Institutions	Private Institutions
(Number of institutions)		**(3,088)**	**(1,394)**	**(1,694)**
Enrollment				
Full-time		100.0	100.0	100.0
	Increase	34.2	32.0	36.1
	Decrease	19.3	20.6	18.2
	No change	46.4	47.4	45.7
Part-time		100.0	100.0	100.0
	Increase	38.9	44.8	34.1
	Decrease	11.9	15.7	8.7
	No change	49.2	39.5	57.2
Female		100.0	100.0	100.0
	Increase	28.3	29.7	27.2
	Decrease	6.9	5.3	8.1
	No change	64.8	65.0	64.7
Sources of funds				
Net tuition		100.0	100.0	100.0
	Increase	58.5	56.3	60.4
	Decrease	3.7	3.8	3.6
	No change	37.8	40.0	36.0
Student aid from all public sources		100.0	100.0	100.0
	Increase	20.8	21.6	20.2
	Decrease	13.9	10.3	16.9
	No change	65.2	68.1	62.8
State and local governments (except student aid)		100.0	100.0	100.0
	Increase	15.5	21.9	10.2
	Decrease	15.6	24.5	8.3
	No change	68.9	53.6	81.5
Federal government (except student aid)		100.0	100.0	100.0
	Increase	8.9	12.1	6.3
	Decrease	20.0	23.9	16.8
	No change	71.0	63.9	76.9
Endowment earnings		100.0	100.0	100.0
	Increase	24.5	16.6	31.0
	Decrease	3.1	2.3	3.8
	No change	72.4	81.1	65.2
Student aid from all private sources		100.0	100.0	100.0
	Increase	22.7	18.7	25.9
	Decrease	3.6	3.3	3.7
	No change	73.8	77.9	70.3

Continued on next page.

TABLE 1—Continued
Recent Trends,
by Control of Institution

Trend Item		All Institutions	Public Institutions	Private Institutions
Program offerings				
Number of adult and community service programs		100.0	100.0	100.0
	Increase	27.4	35.6	20.7
	Decrease	5.1	7.9	2.7
	No change	67.6	56.6	76.6
Number of courses		100.0	100.0	100.0
	Increase	20.3	19.7	20.7
	Decrease	7.3	9.9	5.2
	No change	72.4	70.4	74.1
Total number of programs		100.0	100.0	100.0
	Increase	22.0	17.7	25.5
	Decrease	4.6	7.7	2.1
	No change	73.4	74.7	72.4
Number of science and mathematics programs		100.0	100.0	100.0
	Increase	19.0	22.1	16.4
	Decrease	0.6	0.3	0.8
	No change	80.5	77.6	82.8
Student characteristics				
Family ability to pay		100.0	100.0	100.0
	Increase	2.3	3.3	1.5
	Decrease	22.3	14.1	29.0
	No change	75.4	82.6	69.5
Median age		100.0	100.0	100.0
	Increase	17.8	16.9	18.4
	Decrease	3.4	3.1	3.7
	No change	78.8	80.0	77.8
Academic ability		100.0	100.0	100.0
	Increase	14.2	7.9	19.4
	Decrease	6.9	7.6	6.3
	No change	78.9	84.5	74.3
Students' geographic origins				
Out-of-state students		100.0	100.0	100.0
	Increase	8.5	5.9	10.6
	Decrease	8.9	8.0	9.7
	No change	82.6	86.1	79.7
Commuter students		100.0	100.0	100.0
	Increase	13.2	7.5	17.9
	Decrease	1.6	1.4	1.8
	No change	85.2	91.1	80.3
In-state students		100.0	100.0	100.0
	Increase	12.9	7.3	17.6
	Decrease	1.5	1.1	1.8
	No change	85.6	91.6	80.6

TABLE 2—Recent Trends, by Revenue Shortfall Status and Control of Institution

Trend Item		All Institutions		Public Institutions		Private Institutions	
		No Shortfall	With Shortfall	No Shortfall	With Shortfall	No Shortfall	With Shortfall
Number of institutions		1,691	1,397	705	689	986	708
Enrollment							
Full-time		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	40.6	26.6	41.1	22.3	40.0	30.7
	Decrease	5.7	35.8	12.7	28.8	0.8	42.6
	No change	53.7	37.7	45.9	48.9	59.2	26.7
Part-time		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	43.4	33.5	54.5	35.0	35.5	32.2
	Decrease	9.2	15.2	8.9	22.7	9.3	7.8
	No change	47.4	51.3	36.6	42.3	55.2	60.0
Female		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	33.2	22.4	36.3	22.9	31.0	21.9
	Decrease	2.4	12.2	1.2	9.6	3.3	14.8
	No change	64.4	65.4	62.6	67.5	65.7	63.3
Sources of funds							
Net tuition		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	63.7	52.3	62.2	50.2	64.7	54.4
	Decrease	0.0	8.1	0.0	7.7	0.0	8.6
	No change	36.3	39.6	37.8	42.2	35.3	37.0
Student aid from all public sources		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	23.8	17.2	28.6	14.4	20.4	19.9
	Decrease	13.3	14.8	8.0	12.7	17.7	16.8
	No change	62.9	68.0	63.4	72.9	62.5	63.3
State and local governments (except student aid)		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	20.6	9.3	34.4	9.1	10.7	9.5
	Decrease	8.9	23.8	9.7	39.7	8.3	8.3
	No change	70.5	66.9	55.9	51.3	81.0	82.2
Federal government (except student aid)		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	7.7	10.4	9.8	14.5	6.3	6.4
	Decrease	17.2	23.4	24.7	23.2	11.9	23.6
	No change	75.0	66.2	65.6	62.3	81.8	70.0
Endowment earnings		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	27.8	20.5	16.7	16.6	35.8	24.3
	Decrease	0.4	6.4	0.7	4.0	0.2	8.8
	No change	71.8	73.1	82.6	79.4	64.0	66.9
Student aid from all private sources		100.0	100.0	100.0	100.0	100.0	100.0
	Increase	23.6	21.5	20.5	17.0	25.9	26.0
	Decrease	1.8	5.7	2.1	4.5	1.5	6.8
	No change	74.6	72.8	77.4	78.5	72.6	67.2

Continued on next page.

TABLE 2—Continued
Recent Trends,
by Revenue Shortfall Status and
Control of Institution

Trend Item	All Institutions		Public Institutions		Private Institutions	
	No Shortfall	With Shortfall	No Shortfall	With Shortfall	No Shortfall	With Shortfall
Program offerings						
Number of adult and community service programs	100.0	100.0	100.0	100.0	100.0	100.0
Increase	33.0	20.6	43.6	27.3	25.4	14.1
Decrease	3.0	7.6	4.7	11.2	1.8	4.1
No change	64.1	71.8	51.7	61.5	72.9	81.8
Number of courses	100.0	100.0	100.0	100.0	100.0	100.0
Increase	22.2	17.8	26.4	13.0	19.3	22.6
Decrease	3.7	11.7	3.7	16.2	3.6	7.4
No change	74.1	70.4	69.9	70.9	77.1	70.0
Total number of programs	100.0	100.0	100.0	100.0	100.0	100.0
Increase	24.2	19.2	27.3	7.8	22.1	30.3
Decrease	2.2	7.5	2.8	12.6	1.8	2.6
No change	73.6	73.3	69.9	79.6	76.2	67.1
Number of science & mathematics programs	100.0	100.0	100.0	100.0	100.0	100.0
Increase	19.3	18.6	22.5	21.6	16.9	15.7
Decrease	0.0	1.3	0.0	0.7	0.0	1.8
No change	80.7	80.2	77.5	77.7	83.1	82.5
Student characteristics						
Family ability to pay	100.0	100.0	100.0	100.0	100.0	100.0
Increase	3.6	0.7	5.2	1.3	2.5	0.0
Decrease	21.6	23.1	10.4	17.9	29.6	28.2
No change	74.8	76.2	84.4	80.8	67.9	71.8
Median age	100.0	100.0	100.0	100.0	100.0	100.0
Increase	19.4	15.8	19.6	14.3	19.2	17.3
Decrease	1.6	5.6	4.0	2.1	0.0	8.9
No change	79.0	78.6	76.5	83.6	80.8	73.8
Academic ability	100.0	100.0	100.0	100.0	100.0	100.0
Increase	16.5	11.5	10.6	5.1	20.7	17.6
Decrease	5.7	8.2	7.3	7.9	4.6	8.5
No change	77.8	80.3	82.1	87.0	74.7	73.8
Students' geographic origins						
Out-of-state students	100.0	100.0	100.0	100.0	100.0	100.0
Increase	9.3	7.5	3.5	8.4	13.4	6.7
Decrease	6.8	11.5	4.0	12.1	8.8	10.8
No change	83.9	81.0	92.5	79.5	77.7	82.5
Commuter students	100.0	100.0	100.0	100.0	100.0	100.0
Increase	13.5	12.8	9.6	5.3	16.3	20.1
Decrease	2.1	1.0	1.6	1.1	2.5	0.8
No change	84.4	86.2	88.8	93.6	81.2	79.1
In-state students	100.0	100.0	100.0	100.0	100.0	100.0
Increase	14.0	11.7	9.4	5.1	17.3	18.0
Decrease	1.8	1.1	0.8	1.5	2.5	0.8
No change	84.2	87.2	89.8	93.4	80.3	81.2

TABLE 3—Percentage of Use and Ratings of Selected Management Strategies

Institutions Reporting Shortfall: N = 1,397

Management Strategy	Percentage of Institutions That Used & Rated the Strategy	Percentage of Rating Institutions That Gave Strategy a— High Rating 5	4	3	2	Low Rating 1
Faculty						
1. Increased faculty size	15.4	9	34	24	11	22
2. Decreased faculty size	44.5	10	42	34	10	4
3. Increased faculty compensation	30.9	1	33	27	10	29
4. Decreased faculty compensation	9.9	24	40	15	17	4
5. Increased academic support staff	12.2	3	34	35	15	13
6. Decreased academic support staff	37.9	12	24	36	23	6
Academic programs						
7. Increased number of programs	25.9	8	39	31	18	4
8. Decreased number of programs	24.6	7	34	38	18	3
9. Increased number of courses	20.8	5	35	13	25	22
10. Decreased number of courses	29.4	13	31	32	18	6
11. Increased class size	38.4	19	41	31	8	1
12. Decreased class size	2.7	21	34	32	13	—
13. More selective entrance requirements	20.2	2	44	26	21	7
14. Less selective entrance requirements	7.1	—	13	15	52	20
15. Increased number of community services	22.9	3	46	36	10	5
16. Decreased number of community services	14.7	2	13	37	36	12
17. Increased number of adult and evening classes	34.4	9	38	39	10	4
18. Decreased number of adult and evening classes	9.9	3	21	20	21	35
Student body						
19. Increased student body size	32.8	36	34	21	8	1
20. Decreased student body size	18.8	6	30	22	19	23
21. Increased number of student aid grants from institutional funds	48.6	9	43	29	8	11
22. Fewer student aid grants from institutional funds	4.6	49	—	33	6	12
23. Increased recruitment efforts directed at *all student levels*	66.6	25	36	28	4	7
24. Decreased recruitment efforts directed at *all student levels*	3.9	—	29	57	—	14
25. Increased recruitment efforts directed at upper division students	22.0	19	42	28	8	3
26. Reduced recruitment efforts directed at upper division students	2.4	—	77	—	—	23
27. Increased student retention efforts	67.3	25	24	38	9	4
28. Decreased student retention efforts	3.6	32	—	—	—	68

Continued on next page.

TABLE 3—Continued
Percentage of Use and Ratings of Selected Management Strategies
Institutions Reporting Shortfall: N = 1,397

Management Strategy	Percentage of Institutions That Used & Rated the Strategy	Percentage of Rating Institutions That Gave Strategy a—				
		High Rating 5	4	3	2	Low Rating 1
General administration						
29. Increased support staff for general administration	17.0	2	42	19	18	19
30. Decreased support staff for general administration	36.0	9	15	53	20	3
31. Increased size of physical plant	14.8	16	44	23	13	4
32. Reduced size of physical plant	5.5	14	31	36	19	—
33. Increased support staff for plant maintenance	11.3	—	8	29	56	7
34. Decreased support staff for plant maintenance	34.8	13	9	42	31	5
35. Increased amount of plant maintenance	17.7	5	54	11	28	2
36. Decreased amount of plant maintenance	24.3	7	14	34	31	14
37. Increased effort devoted to fund raising	68.6	27	35	27	9	2
38. Decreased effort devoted to fund raising	4.9	—	29	60	—	11

TABLE 4—Use of Selected Management Practices, by Revenue Shortfall Status and Reason for Shortfall

Management Practice	All Institutions	Institutions with—		Reasons for Shortfall		
		No Shortfall	Shortfall	Reduced External Funds	Reduced Enrollment	Costs
All institutions (N)	**(3,088)**	**(1,691)**	**(1,397)**	**(768)**	**(822)**	**(1,034)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	60.3	60.4	60.3	68.0	55.4	57.0
Used but too early to rate	14.3	12.8	16.0	13.8	21.9	17.4
Under development	18.4	18.2	18.7	13.0	18.1	20.3
Do not use	7.0	8.6	5.1	5.2	4.7	5.3
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	63.8	65.9	61.2	63.0	66.5	60.6
Used but too early to rate	5.7	4.0	7.8	6.6	9.9	8.6
Under development	14.0	14.5	13.5	17.0	7.6	11.2
Do not use	16.4	15.6	17.5	13.4	16.0	19.6
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	69.8	74.1	64.5	66.8	65.5	62.6
Used but too early to rate	3.1	2.6	3.8	1.0	4.5	3.1
Under development	6.9	4.5	9.8	7.4	11.6	13.3
Do not use	20.2	18.9	21.9	24.8	18.4	21.1
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	47.7	51.9	42.6	52.6	44.9	39.7
Used but too early to rate	3.0	2.8	3.3	1.9	5.6	4.4
Under development	3.7	2.0	5.9	4.6	5.9	7.3
Do not use	45.6	43.3	48.2	40.8	43.6	48.5

Continued on next page.

TABLE 4—Continued
Use of Selected Management Practices, by Revenue Shortfall Status and Reason for Shortfall

Management Practice	All Institutions	Institutions with—		Reasons for Shortfall		
		No Shortfall	Shortfall	Reduced External Funds	Reduced Enrollment	Costs
Public Institutions (N)	**(1,394)**	**(705)**	**(689)**	**(564)**	**(320)**	**(448)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	60.0	55.4	64.6	65.3	60.0	57.6
Used but too early to rate	15.2	15.2	15.1	14.9	21.3	19.2
Under development	15.7	17.0	14.4	15.4	11.5	17.0
Do not use	9.1	12.3	5.9	4.4	7.2	6.2
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	67.0	70.4	63.5	65.6	67.8	60.6
Used but too early to rate	5.6	3.7	7.6	8.3	8.7	7.7
Under development	13.9	11.6	16.2	15.0	6.5	15.0
Do not use	13.5	14.3	12.8	11.1	16.9	16.7
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	67.0	64.2	69.8	70.7	59.6	67.4
Used but too early to rate	1.8	2.5	1.1	1.4	1.7	1.2
Under development	4.1	4.4	2.8	1.8	7.0	5.9
Do not use	27.1	28.9	25.2	26.0	31.6	25.5
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	55.3	47.6	63.2	59.6	74.7	64.9
Used but too early to rate	0.4	0.9	0.0	0.0	0.0	0.0
Under development	1.1	1.1	1.2	1.4	0.8	1.8
Do not use	43.1	50.4	35.7	39.0	24.5	33.3
Private Institutions (N)	**(1,694)**	**(986)**	**(708)**	**(205)**	**(502)**	**(587)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	60.6	63.9	56.0	75.6	52.4	56.5
Used but too early to rate	13.5	11.1	16.8	10.8	22.3	16.0
Under development	20.7	19.0	22.9	6.2	22.3	22.8
Do not use	5.2	5.9	4.3	7.3	3.0	4.7
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	61.2	62.8	59.1	55.9	65.7	60.6
Used but too early to rate	5.8	4.2	8.0	1.8	10.6	9.3
Under development	14.2	16.5	10.9	22.6	8.2	8.3
Do not use	18.8	16.5	22.0	19.8	15.5	21.8
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	72.1	81.1	59.4	55.9	69.2	58.9
Used but too early to rate	4.2	2.6	6.3	0.0	6.4	4.5
Under development	9.2	4.6	15.7	22.6	14.5	18.9
Do not use	14.6	11.7	18.6	21.4	9.9	17.7
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	41.5	55.0	22.6	33.4	25.9	20.4
Used but too early to rate	5.1	4.1	6.5	7.3	9.1	7.8
Under development	5.8	2.6	10.4	13.5	9.2	11.6
Do not use	47.6	38.3	60.5	45.8	55.8	60.1

TABLE 5—Use of Selected Management Practices, by Revenue Shortfall Status and Type of Institution

Management Practice	All Institutions	Institutions with No Shortfall	Institutions with Shortfall
Comprehensive institutions (N)	**(409)**	**(187)**	**(222)**
Long-range planning	**100.0**	**100.0**	**100.0**
Used and rated	66.6	57.4	74.3
Used, but too early to rate	11.4	9.8	12.8
Under development	10.0	13.1	7.4
Do not use	12.0	19.6	5.6
Program review	**100.0**	**100.0**	**100.0**
Used and rated	61.8	56.5	66.3
Used, but too early to rate	9.9	6.1	13.2
Under development	12.2	15.1	9.8
Do not use	16.0	22.3	10.7
Cash management	**100.0**	**100.0**	**100.0**
Used and rated	77.2	86.0	69.8
Used, but too early to rate	7.4	5.8	8.7
Under development	4.9	5.6	4.3
Do not use	10.5	2.6	17.3
Central contingency fund	**100.0**	**100.0**	**100.0**
Used and rated	52.4	59.3	46.6
Used, but too early to rate	2.9	3.3	2.6
Under development	2.7	0.0	5.0
Do not use	41.9	37.4	45.8
Baccalaureate institutions (N)	**(739)**	**(422)**	**(317)**
Long-range planning	**100.0**	**100.0**	**100.0**
Used and rated	70.2	72.4	67.2
Used, but too early to rate	12.0	10.3	14.2
Under development	13.4	12.4	14.6
Do not use	4.5	4.8	4.0
Program review	**100.0**	**100.0**	**100.0**
Used and rated	56.2	50.8	63.4
Used, but too early to rate	8.5	10.3	6.1
Under development	12.7	14.4	10.4
Do not use	22.5	24.4	20.1
Cash management	**100.0**	**100.0**	**100.0**
Used and rated	75.3	76.8	73.3
Used, but too early to rate	3.6	4.6	2.4
Under development	7.0	4.6	10.1
Do not use	14.1	14.0	14.2
Central contingency fund	**100.0**	**100.0**	**100.0**
Used and rated	52.2	64.8	35.4
Used, but too early to rate	1.7	3.0	0.0
Under development	5.2	0.0	12.0
Do not use	41.0	32.2	52.6

Continued on next page.

TABLE 5—Continued
Use of Selected Management Practices, by Revenue Shortfall Status and Type of Institution

Management Practice	All Institutions	Institutions with No Shortfall	Institutions with Shortfall
Two-year institutions (N)	**(1,311)**	**(723)**	**(588)**
Long-range planning	**100.0**	**100.0**	**100.0**
Used and rated	59.2	56.8	62.2
Used, but too early to rate	13.7	15.3	11.7
Under development	18.8	17.0	20.9
Do not use	8.3	10.9	5.2
Program review	**100.0**	**100.0**	**100.0**
Used and rated	62.6	66.5	57.7
Used, but too early to rate	5.3	1.8	9.7
Under development	17.1	16.7	17.6
Do not use	15.0	15.0	15.0
Cash management	**100.0**	**100.0**	**100.0**
Used and rated	62.4	62.4	62.3
Used, but too early to rate	3.0	1.8	4.4
Under development	7.7	6.4	9.4
Do not use	26.9	29.4	23.9
Central contingency fund	**100.0**	**100.0**	**100.0**
Used and rated	51.0	43.9	59.7
Used, but too early to rate	1.0	1.8	0.0
Under development	0.8	1.1	0.4
Do not use	47.2	53.2	39.9
Specialized institutions (N)	**(629)**	**(360)**	**(269)**
Long-range planning	**100.0**	**100.0**	**100.0**
Used and rated	46.9	54.9	36.3
Used, but too early to rate	20.0	12.5	30.0
Under development	29.1	29.9	28.1
Do not use	4.0	2.8	5.5
Program review	**100.0**	**100.0**	**100.0**
Used and rated	76.7	87.4	62.2
Used, but too early to rate	0.6	0.0	1.3
Under development	10.3	9.8	11.1
Do not use	12.4	2.8	25.3
Cash management	**100.0**	**100.0**	**100.0**
Used and rated	73.8	88.2	34.7
Used, but too early to rate	0.0	0.0	0.0
Under development	6.4	0.0	14.9
Do not use	19.8	11.8	30.4
Central contingency fund	**100.0**	**100.0**	**100.0**
Used and rated	32.7	49.2	10.6
Used, but too early to rate	8.8	4.2	14.9
Under development	8.8	7.0	11.1
Do not use	49.8	39.6	63.4

TABLE 6—Usefulness Ratings of Selected Management Practices, by Control and Type of Institution

Management Practice	Number of Institutions That Used & Rated the Strategy	Percentage of Rating Institutions That Gave The Practice a— High Rating 5	4	3	2	Low Rating 1	Average Score
All institutions							
Long-range planning	1,863	27	35	33	4	1	3.8
Program review	1,971	25	42	29	5	<1	3.9
Cash management	2,154	39	41	17	3	1	4.1
Central contingency fund	1,474	34	27	27	10	3	3.8
Public institutions							
Long-range planning	836	27	32	33	6	2	3.8
Program review	934	26	37	31	5	<1	3.8
Cash management	934	40	39	18	3	1	4.2
Central contingency fund	771	31	26	31	11	1	3.8
Private institutions							
Long-range planning	1,027	27	37	32	3	1	3.9
Program review	1,038	23	46	27	4	0	3.9
Cash management	1,221	38	42	15	3	1	4.1
Central contingency fund	703	37	27	22	9	5	3.8
Comprehensive institutions							
Long-range planning	272	26	34	32	8	0	3.8
Program review	253	24	44	30	1	2	3.9
Cash management	316	49	38	11	3	0	4.3
Central contingency fund	215	41	28	30	0	2	4.1
Baccalaureate institutions							
Long-range planning	519	38	31	27	4	0	4.0
Program review	416	31	26	38	5	0	3.8
Cash management	556	44	34	19	4	0	4.2
Central contingency fund	385	33	25	16	24	2	3.6
Two-year institutions							
Long-range planning	777	27	34	31	4	3	3.8
Program review	820	29	37	31	4	0	3.9
Cash management	818	45	37	13	5	1	4.2
Central contingency fund	668	31	30	30	8	1	3.8
Specialized institutions							
Long-range planning	295	10	44	46	1	0	3.6
Program review	482	12	62	19	8	0	3.8
Cash management	465	15	57	24	0	3	3.8
Central contingency fund	206	37	19	32	0	12	3.7

Note: Percentages may not sum across to 100 because of rounding.

TABLE 7—Five-year Outlook and Use of Selected Management Practices, by Control and Type of Institution

Management Practice	Institutions That in the Next Five Years Expect to— Do Better	Maintain Current Levels	Have Difficulties	No Opinion	Total
All institutions (N)	**(1,352)**	**(776)**	**(932)**	**(29)**	**(3,088)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	63.3	64.9	51.5	82.1	60.3
Used, but too early to rate	16.9	6.6	17.3	0.0	14.3
Under development	15.7	17.3	23.4	17.9	18.4
Do not use	4.1	11.2	7.9	0.0	7.0
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	68.3	69.5	51.9	82.1	63.8
Used, but too early to rate	4.9	3.4	9.0	0.0	5.7
Under development	11.7	15.7	16.0	17.9	14.0
Do not use	15.1	11.4	23.1	0.0	16.4
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	73.7	71.0	62.0	100.0	69.8
Used, but too early to rate	1.4	5.0	4.2	0.0	3.1
Under development	5.8	3.2	11.8	0.0	6.9
Do not use	19.1	20.8	22.0	0.0	20.2
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	50.6	39.2	49.6	82.1	47.7
Used, but too early to rate	4.8	3.6	0.0	0.0	3.0
Under development	5.3	0.0	4.6	0.0	3.7
Do not use	39.3	57.2	45.8	17.9	45.6

Continued on next page.

TABLE 7—Continued
Five-year Outlook and
Use of Selected Management Practices,
by Control and Type of Institution

Management Practice	Institutions That in the Next Five Years Expect to— Do Better	Maintain Current Levels	Have Difficulties	No Opinion	Total
Public Institutions (N)	**(550)**	**(365)**	**(442)**	**(29)**	**(1,394)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	67.2	62.8	47.1	82.1	60.0
Used, but too early to rate	13.7	7.8	24.1	0.0	15.2
Under development	13.7	18.2	16.1	17.9	15.7
Do not use	5.5	11.2	12.7	0.0	9.1
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	75.4	71.5	51.6	82.1	67.0
Used, but too early to rate	6.3	1.3	8.7	0.0	5.6
Under development	10.9	11.4	19.4	17.9	13.9
Do not use	7.4	15.8	20.3	0.0	13.5
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	75.5	59.9	59.8	100.0	67.0
Used, but too early to rate	0.0	5.5	1.2	0.0	1.8
Under development	4.0	1.7	6.4	0.0	4.1
Do not use	20.4	32.9	32.5	0.0	27.1
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	59.8	42.8	58.2	82.1	55.3
Used, but too early to rate	1.1	0.0	0.0	0.0	0.4
Under development	2.4	0.0	0.6	0.0	1.1
Do not use	36.8	57.2	41.2	17.9	43.1
Private institutions (N)	**(793)**	**(411)**	**(490)**	**(0)**	**(1,694)**
Long-range planning	**100.0**	**100.0**	**100.0**	—	**100.0**
Used and rated	60.6	66.8	55.4	0.0	60.6
Used, but too early to rate	19.1	5.5	11.2	0.0	13.5
Under development	17.1	16.6	29.8	0.0	20.7
Do not use	3.2	11.1	3.5	0.0	5.2
Program review	**100.0**	**100.0**	**100.0**	—	**100.0**
Used and rated	63.4	67.8	52.2	0.0	61.2
Used, but too early to rate	4.0	5.2	9.3	0.0	5.8
Under development	12.2	19.5	12.9	0.0	14.2
Do not use	20.5	7.5	25.6	0.0	18.8
Cash management	**100.0**	**100.0**	**100.0**	—	**100.0**
Used and rated	72.5	80.8	64.0	0.0	72.1
Used, but too early to rate	2.3	4.5	6.8	0.0	4.2
Under development	7.1	4.5	16.6	0.0	9.2
Do not use	18.1	10.1	12.6	0.0	14.6
Central contingency fund	**100.0**	**100.0**	**100.0**	—	**100.0**
Used and rated	44.2	35.9	41.8	0.0	41.5
Used, but too early to rate	7.4	6.8	0.0	0.0	5.1
Under development	7.4	0.0	8.2	0.0	5.8
Do not use	41.0	57.3	50.0	0.0	47.6

Continued on next page.

TABLE 7—Continued
Five-year Outlook and
Use of Selected Management Practices,
by Control and Type of Institution

Management Practice	Institutions That in the Next Five Years Expect to— Do Better	Maintain Current Levels	Have Difficulties	No Opinion	Total
Comprehensive institutions (N)	**(143)**	**(117)**	**(150)**	**(0)**	**(409)**
Long-range planning	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	75.0	67.8	57.5	0.0	66.6
Used, but too early to rate	15.6	7.4	10.7	0.0	11.4
Under development	1.7	6.3	20.8	0.0	10.0
Do not use	7.7	18.6	11.0	0.0	12.0
Program review	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	63.5	67.0	56.2	0.0	61.8
Used, but too early to rate	8.1	11.9	10.1	0.0	9.9
Under development	19.3	0.0	15.0	0.0	12.2
Do not use	9.1	21.1	18.6	0.0	16.0
Cash management	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	74.2	68.3	87.1	0.0	77.2
Used, but too early to rate	4.0	16.3	3.6	0.0	7.4
Under development	4.0	10.2	1.6	0.0	4.9
Do not use	17.8	5.3	7.7	0.0	10.5
Central contingency fund	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	36.7	56.5	64.3	0.0	52.4
Used, but too early to rate	8.3	0.0	0.0	0.0	2.9
Under development	7.8	0.0	0.0	0.0	2.7
Do not use	47.2	43.5	35.7	0.0	41.9
Baccalaureate institutions (N)	**(375)**	**(160)**	**(204)**	**(0)**	**(739)**
Long-range planning	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	66.5	70.4	76.8	0.0	70.2
Used, but too early to rate	14.4	4.7	13.2	0.0	12.0
Under development	12.4	20.1	9.9	0.0	13.4
Do not use	6.8	4.7	0.0	0.0	4.5
Program review	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	60.8	47.8	54.4	0.0	56.2
Used, but too early to rate	11.0	4.7	7.0	0.0	8.5
Under development	5.4	33.4	9.9	0.0	12.7
Do not use	22.8	14.2	28.7	0.0	22.5
Cash management	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	74.4	75.3	76.8	0.0	75.3
Used, but too early to rate	3.4	4.2	3.7	0.0	3.6
Under development	8.6	8.0	3.3	0.0	7.0
Do not use	13.6	12.5	16.2	0.0	14.1
Central contingency fund	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	53.9	35.8	61.8	0.0	52.2
Used, but too early to rate	3.4	0.0	0.0	0.0	1.7
Under development	10.2	0.0	0.0	0.0	5.2
Do not use	32.5	64.2	38.2	0.0	41.0

Continued on next page.

TABLE 7—Continued
Five-year Outlook and
Use of Selected Management Practices,
by Control and Type of Institution

Management Practice	Institutions That in the Next Five Years Expect to— Do Better	Maintain Current Levels	Have Difficulties	No Opinion	Total
Two-year institutions (N)	**(492)**	**(359)**	**(431)**	**(29)**	**(1,311)**
Long-range planning	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	68.5	64.0	42.5	82.1	59.2
Used, but too early to rate	14.8	5.5	20.2	0.0	13.7
Under development	14.2	14.5	27.6	17.9	18.8
Do not use	2.5	15.2	9.8	0.0	8.3
Program review	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	73.2	68.9	43.8	82.1	62.6
Used, but too early to rate	2.1	1.3	12.7	0.0	5.3
Under development	10.5	19.0	22.9	17.9	17.1
Do not use	14.2	10.7	20.6	0.0	15.0
Cash management	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	73.8	63.6	45.8	100.0	62.4
Used, but too early to rate	0.0	3.6	6.0	0.0	3.0
Under development	3.2	0.0	19.9	0.0	7.7
Do not use	23.0	32.8	28.4	0.0	26.9
Central contingency fund	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Used and rated	61.7	38.4	47.2	82.1	51.0
Used, but too early to rate	0.0	3.6	0.0	0.0	1.0
Under development	1.6	0.0	0.6	0.0	0.8
Do not use	36.8	58.0	52.2	17.9	47.2
Specialized institutions (N)	**(342)**	**(140)**	**(148)**	**(0)**	**(629)**
Long-range planning	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	47.5	56.6	36.4	0.0	46.9
Used, but too early to rate	23.2	10.7	21.4	0.0	20.0
Under development	27.2	30.7	32.1	0.0	29.1
Do not use	2.1	2.0	10.1	0.0	4.0
Program review	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	71.7	98.0	67.9	0.0	76.7
Used, but too early to rate	1.1	0.0	0.0	0.0	0.6
Under development	16.9	0.0	4.9	0.0	10.3
Do not use	10.3	2.0	27.2	0.0	12.4
Cash management	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	72.7	87.3	63.6	0.0	73.8
Used, but too early to rate	0.0	0.0	0.0	0.0	0.0
Under development	7.4	0.0	10.1	0.0	6.4
Do not use	19.9	12.7	26.3	0.0	19.8
Central contingency fund	**100.0**	**100.0**	**100.0**	**—**	**100.0**
Used and rated	36.9	30.7	34.7	0.0	32.7
Used, but too early to rate	11.8	10.7	0.0	0.0	8.8
Under development	4.4	0.0	27.2	0.0	8.8
Do not use	47.0	58.6	48.0	0.0	49.8

TABLE 8—Percentage Distribution of Institutions, by Five-year Outlook and Revenue Shortfall Status

Shortfall Status	Percentage of Institutions That in the Next Five Years Expect to				
	Do Better	Maintain Current Levels	Have Difficulties	No Opinion	Total
All institutions	**43.8**	**25.1**	**30.2**	**0.9**	**100.0**
No shortfall	41.1	36.0	22.6	0.3	100.0
Shortfall	47.0	11.9	39.4	1.7	100.0
Public institutions	**40.1**	**26.2**	**31.7**	**2.1**	**100.0**
No shortfall	39.8	35.8	23.6	0.7	100.0
Shortfall	40.4	16.3	39.9	3.4	100.0
Private institutions	**46.8**	**24.3**	**28.9**	**0.0**	**100.0**
No shortfall	42.0	36.2	21.8	0.0	100.0
Shortfall	53.5	7.6	38.9	0.0	100.0
Comprehensive institutions	**34.9**	**28.5**	**36.6**	**0.0**	**100.0**
No shortfall	22.0	41.1	36.8	0.0	100.0
Shortfall	45.7	17.9	36.4	0.0	100.0
Baccalaureate institutions	**50.8**	**21.6**	**27.6**	**0.0**	**100.0**
No shortfall	36.9	34.7	28.3	0.0	100.0
Shortfall	69.1	4.2	26.7	0.0	100.0
Two-year institutions	**37.6**	**27.4**	**32.9**	**2.2**	**100.0**
No shortfall	40.0	40.0	19.3	0.7	100.0
Shortfall	34.6	11.9	49.5	4.0	100.0
Specialized institutions	**54.3**	**22.2**	**23.5**	**0.0**	**100.0**
No shortfall	58.1	26.9	14.9	0.0	100.0
Shortfall	49.2	15.9	34.9	0.0	100.0

Note: Percentages may not sum across to 100 because of rounding.

APPENDIX A: SURVEY INSTRUMENT

AMERICAN COUNCIL ON EDUCATION
ONE DUPONT CIRCLE
WASHINGTON, D. C. 20036

HIGHER EDUCATION PANEL
(202) 833-4757

April 10, 1984

Dear Higher Education Panel Representative:

About a year ago, the president of your institution agreed to let it participate in the American Council on Education's Higher Education Panel (HEP). The Panel is described in the attached blue folder. This letter and its enclosures present your first opportunity to take part in a Panel survey.

The attached HEP Survey No. 63, "Conditions Affecting College and University Financial Strength," is sponsored by the U.S. Department of Education. Its purpose is to obtain a broad assessment of what has been happening at institutions in the recent past and what they have been doing to sustain themselves.

The survey springs from a continuing concern on the part of educational policy-makers about the financial implications of the changes in demographic, economic, and managerial conditions that have occurred in the last four years. This is a study of how institutional officials assess the changes, and how their institutions have responded.

You will note that this survey does not ask for quantities of statistics. Instead, it requests that an official indicates in general terms what significant changes have occurred at the institution, what the institution's response has been, and what its immediate future is expected to look like. Ideally, the respondent should be one at a relatively high administrative level with a broad view of both the academic and financial aspects of the institution. We will rely on your good judgment to identify the appropriate respondent on your campus.

Please understand that your institution's response will be protected to the maximum extent permissible by law. As with all our surveys, the data you provide will be reported in summary fashion only and will not be identifiable with your institution. This survey is authorized by the National Science Foundation Act of 1950, as amended. Although you are not required to respond, your cooperation is needed to make the results comprehensive, reliable, and timely.

Please have the completed questionnaire returned to us by May 4. A preaddressed envelope is enclosed for your convenience. If you have any questions or problems, please do not hesitate to telephone us collect at 202/833-4757.

Sincerely,

Frank J. Atelsek

Frank J. Atelsek
Panel Director

Enclosures

AMERICAN COUNCIL ON EDUCATION

OMB #3145-0009
Exp. 03/31/87

American Council on Education
Higher Education Panel Survey No. 63

CONDITIONS AFFECTING COLLEGE AND UNIVERSITY FINANCIAL STRENGTH

Introduction

There is wide concern that a large number of colleges and universities may be in financial distress due in part to demographic changes, economic conditions and perhaps even management strategies and decisions. These are not new problems and some would argue they are never ending. This Higher Education Panel survey will review not only what is currently happening in institutions, but also what institutions have been doing over the past four years to sustain themselves. The findings will be particularly useful to Department of Education policy makers to determine what actions should be taken at the Federal level.

You will note that the questionnaire does not request quantities of statistical data; it asks for opinions, impressions, and judgments concerning recent changes at your institution. Terms such as "significant," "useful," and "beneficial" have *not* been reduced to specific percentage changes or other quantitative measures. A three percent change at one institution may be insignificant, while at another, it could be very important. We are relying on your assessment of the conditions at your institution and a belief that there are generally understood limits to the meaning of these terms. It is suggested that a "significant change" is one that influences decision-making. This opinion-oriented, impressionistic quality of the results will, of course, be reflected in the survey report.

Definitions

Definitions used in the Department of Education's Higher Education General Information Survey (HEGIS) are to apply for standard terms not defined below.

Cash Management Program. This is a formal plan of reviewing cash flow needs on a periodic (daily, weekly, monthly, and/or yearly) basis. It should consider cash flow by fund type and may include cash flow by cost center. It includes a system of controls by various receipts and cost categories.

Central Contingency Fund. This is a general fund upon which various institutional cost centers or areas may draw when budgeted amounts fall short of current operating needs.

Long-Range Planning Activity. This involves a formal process of clarifying the institutional mission; setting institutional long-range operating goals; developing supporting management, operational and financial plans; implementing appropriate management controls; and setting up both an evaluation mechanism to provide for follow-up activities and a feedback mechanism for the development of future operating plans.

Program Review. This is a formal process, conducted not less than on an annual basis, through which the institution reviews the present and expected demand (enrollments) for all programs and courses of study. While course content and expected enrollments are of primary concern, expected revenues are also considered, along with resource needs. From this activity, program priorities are established and potential growth areas are identified, as are areas for reduction or elimination.

Revenue Shortfall. This is the excess of current expenditures over current revenues from all sources.

I. Recent Trends.

A. How has your institution changed over the past four academic years, i.e., 1980/81–1983/84? Check the column that applies.

	Significant Increase	Significant Decrease	No Significant Change
1. Student Enrollments			
a. Full-time	☐	☐	☐
b. Part-time	☐	☐	☐
c. Female	☐	☐	☐
2. Student Characteristics			
a. Median age	☐	☐	☐
b. Academic ability	☐	☐	☐
c. Family ability to pay	☐	☐	☐
3. Institutional Offerings			
a. Total number of programs	☐	☐	☐
b. Number of science and mathematics programs	☐	☐	☐
c. Number of adult/community service programs	☐	☐	☐
d. Number of courses	☐	☐	☐
4. Student Geographic Origins			
a. Commuters	☐	☐	☐
b. In-state	☐	☐	☐
c. Out-of-state	☐	☐	☐

B. What changes have occurred over the past four fiscal years (1980/81–1983/84) in the amounts your institution has received *in current dollars* from the sources listed below?

Source	Significant Increase	Significant Decrease	No Significant Change
1. Federal (except student aid)	☐	☐	☐
2. Other public, i.e., state and local (except student aid)	☐	☐	☐
3. Net tuition (tuition and fees less institutional student aid)	☐	☐	☐
4. Student financial aid from all public sources	☐	☐	☐
5. Student financial aid from all private sources	☐	☐	☐
6. Endowment earnings	☐	☐	☐

II. Management Practices and Strategies.

A. MANAGEMENT PRACTICES. See Definitions for an explanation of each of the four management practices listed below. If you answer yes to any of the items, indicate your estimate of the practice's usefulness by circling the appropriate number on the scale to the right.

	Extremely Useful				Not Useful	Too Early to Assess
1. Does your institution have an ongoing *long-range planning activity?*						
_____ No.						
_____ No, but such a practice is currently under development.						
_____ Yes. If yes, indicate your estimate of its usefulness.	5	4	3	2	1	9
2. Does your institution have an ongoing formal process of *program review?*						
_____ No.						
_____ No, but such a practice is currently under development.						
_____ Yes. If yes, indicate your estimate of its usefulness.	5	4	3	2	1	9
3. Does your institution have an ongoing *cash management* program?						
_____ No.						
_____ No, but such a practice is currently under development.						
_____ Yes. If yes, indicate your estimate of its usefulness.	5	4	3	2	1	9
4. Does your institution have a *central contingency fund?*						
_____ No.						
_____ No, but such a fund is currently under development.						
_____ Yes. If yes, indicate your estimate of its usefulness.	5	4	3	2	1	9

B. REVENUE SHORTFALL. Have you had revenue shortfall(s) during the 1980/81–1983/84 period?

_____ No. If no, go to question III on last page.

_____ Yes. If yes, to what significant causes were the shortfalls due?
Check all that apply.

_____ Reduced external funding, including reduced revenue from the state.

_____ Enrollment shortfalls.

_____ Increased costs.

C. INSTITUTIONAL STRATEGIES. If you answered yes to the preceding question, please complete the following items. Listed below are a number of strategies that institutions sometimes use to increase revenue, decrease costs, or change programs to attract additional students. For each strategy, *either* put a check mark in the "NOT USED" box *or*, if your institution used the strategy *in the past four academic years* (1980/81–1983/84), indicate, by circling the appropriate number, your estimate of the effect of the strategy on improving your institution's financial condition.

Strategy	NOT USED	USED; a *beneficial impact* on the institution's financial condition is estimated to be: High				Low	USED, but too early to assess
Faculty							
1. Increased faculty size	☐	5	4	3	2	1	9
2. Decreased faculty size	☐	5	4	3	2	1	9
3. Increased faculty compensation	☐	5	4	3	2	1	9
4. Decreased faculty compensation	☐	5	4	3	2	1	9
5. Increased the academic support staff (secretarial services, library staff, etc.)	☐	5	4	3	2	1	9
6. Decreased the academic support staff (secretarial services, library staff, etc.)	☐	5	4	3	2	1	9
Academic Programs							
7. Increased number of programs offered	☐	5	4	3	2	1	9
8. Decreased number of programs offered	☐	5	4	3	2	1	9
9. Increased number of courses offered	☐	5	4	3	2	1	9
10. Decreased number of courses offered	☐	5	4	3	2	1	9
11. Increased class size	☐	5	4	3	2	1	9
12. Decreased class size	☐	5	4	3	2	1	9
13. More selective entrance requirements	☐	5	4	3	2	1	9
14. Less selective entrance requirements	☐	5	4	3	2	1	9
15. Increased number of community services	☐	5	4	3	2	1	9
16. Decreased number of community services	☐	5	4	3	2	1	9
17. Increased number of adult & evening classes	☐	5	4	3	2	1	9
18. Decreased number of adult & evening classes	☐	5	4	3	2	1	9
Student Body							
19. Increased student body size	☐	5	4	3	2	1	9
20. Decreased student body size	☐	5	4	3	2	1	9
21. Increased number of student aid grants from institutional funds	☐	5	4	3	2	1	9
22. Fewer student aid grants from institutional funds	☐	5	4	3	2	1	9
23. Increased recruitment efforts directed at *all student levels*	☐	5	4	3	2	1	9
24. Decreased recruitment efforts directed at *all student levels*	☐	5	4	3	2	1	9
25. Increased recruitment efforts directed at upper division students	☐	5	4	3	2	1	9
26. Reduced recruitment efforts directed at upper division students	☐	5	4	3	2	1	9
27. Increased student retention efforts	☐	5	4	3	2	1	9
28. Decreased student retention efforts	☐	5	4	3	2	1	9

(Continued on next page.)

Strategy	NOT USED	USED; a *beneficial impact* on the institution's financial condition is estimated to be: High				Low	USED, but too early to assess
General Administration							
29. Increased support staff for general administration	☐	5	4	3	2	1	9
30. Decreased support staff for general administration	☐	5	4	3	2	1	9
31. Increased size of physical plant	☐	5	4	3	2	1	9
32. Reduced size of physical plant	☐	5	4	3	2	1	9
33. Increased support staff for plant maintenance	☐	5	4	3	2	1	9
34. Decreased support staff for plant maintenance	☐	5	4	3	2	1	9
35. Increased amount of plant maintenance	☐	5	4	3	2	1	9
36. Decreased amount of plant maintenance	☐	5	4	3	2	1	9
37. Increased effort devoted to fund-raising	☐	5	4	3	2	1	9
38. Decreased effort devoted to fund-raising	☐	5	4	3	2	1	9
39. Other; specify.							
_____	☐	5	4	3	2	1	9
_____	☐	5	4	3	2	1	9

III. Five-year Outlook.

Given the mission of your institution and the expected availability of students and resources, how would you rate your institution's chances of maintaining itself over the 1983/84–1987/88 period at a level consistent with current operations?

☐ We expect to do better than we have done in the last four years.
☐ We expect to be able to maintain our current operating levels without the introduction of any new major strategies.
☐ We expect to have difficulty maintaining our current operating levels unless we take adaptive actions.
☐ No opinion.

Thank you for your assistance. Please return this form by **May 4, 1984** to:

Higher Education Panel
American Council on Education
One Dupont Circle Suite 829
Washington, DC 20036

Please keep a copy of this survey for your records.
Person completing form:

Name _____

Title _____

Telephone (____) _____

If you have any questions or problems concerning this survey, please call the HEP staff collect at (202) 833-4757.

APPENDIX B: TECHNICAL NOTES

Questionnaires for this survey were mailed to 438 institutions on April 10, 1984. Excluded from the survey universe were research universities whose complex administrative structures made meaningful responses to several key questionnaire items virtually impossible for them to provide. After mail and telephone follow-up efforts were conducted in May and June, data gathering was cut off on July 3, 1984, at which time the response rate had reached 84 percent.

Stratification Design

Table B-1 shows the stratification design for the survey and indicates the responses for each of the institutional strata included.

TABLE B-1—Stratification Design

Cell	Type of Institution	Enrollment	Population	Respondents
	Total		3,088	370
3	Large public comprehensive	a	92	38
4	Large private comprehensive	a	27	11
5	Large public specialized	a	33	12
6	Large private specialized	a	18	5
7	Large public two-year	a	43	17
8	Public comprehensive	5,500-8,999	56	18
9	Public comprehensive	<5,500	108	22
10	Private comprehensive	<9,000	126	22
11	Public baccalaureate	<9,000	127	19
12	Private baccalaureate	1,350-8,999	166	22
13	Private baccalaureate	<1,350	446	35
14	Public specialized	<9,000	36	5
15	Private religious	<9,000	303	12
16	Private specialized	<9,000	239	16
17	Public two-year academic/comprehensive	6,000-8,999	55	16
18	Public two-year academic/comprehensive	4,000-5,999	72	14
19	Public two-year academic/comprehensive	2,000-3,999	155	20
20	Public two-year academic/comprehensive	<2,000	333	21
21	Private two-year academic/comprehensive	<9,000	129	10
22	Public two-year occupational	2,500-8,999	63	13
23	Public two-year occupational	<2,500	221	18
24	Private two-year occupational	<9,000	240	9

[a]Institutions with total full-time-equivalent (FTE) 1981 enrollment greater than 8,999 and/or FTE 1981 graduate enrollment greater than 749 and/or FY 1979 educational and general expenditures of $35 million or more.

Weighting

The weighting technique used was the standard one employed for Panel surveys. Data received from Panel members were adjusted for item and institutional nonresponse within each cell. Then institutional weights were applied to bring Panel data up to the estimates representative of the national population.

Comparison of Respondents and Nonrespondents

Table B-2 compares the survey respondents and nonrespondents against several variables. Response rates that were 5 percent or more greater than the overall average were recorded by private comprehensive and baccalaureate institutions and by those in the Midwest. Relatively low response rates—those that were 95 percent or less of the overall average—were shown by private two-year and public specialized institutions and by institutions in the East.

TABLE B-2—Comparison of Respondents and Nonrespondents:
(In percentages)

Institutional Characteristics	Respondents (N=370)	Nonrespondents (N=68)	Response Rate
Total	100.0	100.0	84.5
Control			
Public	61.6	66.2	83.5
Private	38.4	33.8	86.1
Type and control			
Public comprehensive	19.7	19.1	84.9
Private comprehensive	8.9	5.9	89.2
Public baccalaureate	5.1	4.4	86.4
Private baccalaureate	15.4	10.3	89.1
Public two-year	32.3	35.2	83.2
Private two-year	5.1	7.4	79.2
Public specialized	4.6	7.4	77.3
Private specialized	8.9	10.3	82.5
Region			
East	21.9	33.8	77.9
Midwest	26.5	16.2	89.9
South	32.2	29.4	85.6
West	19.5	20.6	83.7
Total undergraduate full-time-equivalent enrollment (1981)			
Less than 1,000	26.5	29.4	83.1
1,000-4,999	44.9	44.1	84.7
5,000-9,999	18.9	19.1	84.3
10,000 and above	16.0	7.4	87.8

Other Reports of the Higher Education Panel
American Council on Education

Atelsek, Frank J. and Gomberg, Irene L. **College and University Services for Older Adults.** Higher Education Panel Report, No. 33, February, 1977.

Atelsek, Frank J. and Gomberg, Irene L. **Production of Doctorates in the Biosciences, 1975-1980: An Experimental Forecast.** Higher Education Panel Report, No. 34, November, 1977.

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Atelsek, Frank J. and Gomberg, Irene L. **Estimated Number of Student Aid Recipients, 1976-77.** Higher Education Panel Report, No. 36, September, 1977.

Gomberg, Irene L. and Atelsek, Frank J. **International Scientific Activities at Selected Institutions, 1975-76 and 1976-77.** Higher Education Panel Report, No. 37, January, 1978.

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Gomberg, Irene L. and Atelsek, Frank J. **Nontenure-Track Science Personnel: Opportunities for Independent Research.** Higher Education Panel Report, No. 39, September, 1978.

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Gomberg, Irene L. and Atelsek, Frank J. **The Institutional Share of Undergraduate Financial Assistance, 1976-77.** Higher Education Panel Report, No. 42, May, 1979

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Atelsek, Frank J. and Gomberg, Irene L. **Tenure Practices at Four-Year Colleges and Universities.** Higher Education Panel Report, No. 48, July, 1980.

Gomberg, Irene L. and Atelsek, Frank J. **Trends in Financial Indicators of Colleges and Universities.** Higher Education Panel Report, No. 49, April, 1981.

Atelsek, Frank J. and Gomberg, Irene L. **An Analysis of Travel by Academic Scientists and Engineers to International Scientific Meetings in 1979-80.** Higher Education Panel Report, No. 50, February, 1981.

Atelsek, Frank J. and Gomberg, Irene L. **Selected Characteristics of Full-Time Humanities Faculty, Fall 1979.** Higher Education Panel Report, No. 51, August, 1981.

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Andersen, Charles J. and Atelsek, Frank J. **Sabbatical and Research Leaves in Colleges and Universities.** Higher Education Panel Report, No. 53, February, 1982.

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Andersen, Charles J. **Student Quality in the Humanities: Opinions of Senior Academic Officials.** Higher Education Panel Report, No. 59, February, 1984.

Andersen, Charles J. **Financial Aid For Full-Time Undergraduates.** Higher Education Panel Report, No. 60, April, 1984.

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